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September 09, 2014

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO ORTHOTIC SERVICES AGREEMENT  
(SUPERVISORIAL DISTRICT 4)  
(3 VOTES)**

**SUBJECT**

Request approval to amend the Orthotic Services Agreement with Rancho Research Institute, Inc. for Department of Health Services, Rancho Los Amigos National Rehabilitation Center.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 3 to Agreement H-702969 with Rancho Research Institute, effective upon Board approval for the period October 1, 2014 through February 29, 2016, with an option to extend the term on a month-to month basis for up to six months for the provision of orthotic services at Rancho Los Amigos National Rehabilitation Center (RLANRC) with an estimated cost of \$932,280 for the first nine months.
2. Delegate authority to the Director, or his designee, to amend the Agreement to exercise the 6 month-to-month extension options and add, delete and/or change non-substantive terms and conditions in the Agreement.

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

23 September 9, 2014

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Pursuant to the current Agreement for Orthotic Services that expires September 30, 2014, RRI provides RLANRC patients with a wide range of Orthotic devices to assist patients with foot ulceration prevention; wound protection; spine stabilization and correction; preventing foot drop and falling after a stroke; and as well as making an arm more functional after a brain injury. Approval of the first recommendation will allow the Director to execute an amendment, substantially similar to Exhibit I, to the Agreement with RRI to extend the term of the Agreement to continue providing both standard and highly-specialized technically-complex orthotic services. During the extension period the Department of Health Services (DHS) will evaluate the feasibility of developing a successor agreement or including the RRI specialty services into the existing Prosthetic and Orthotic Master Agreement which is scheduled to be resolicited in early 2015.

This amendment is necessary in order to continue the required highly specialized expertise in evaluation, fabrication and modification of orthotic devices at RLANRC. Because of the dynamic nature of neurologic and motor recovery (e.g., patients with progressive neurologic disorders, patients with chronic neurologic conditions who are undergoing recovery), highly specialized, immediate evaluations and modifications are required. RRI has unique chronic disability expertise necessary to meet the needs of RLANRC's population, which is essential for the success of the rehabilitation program. In addition to the provision of orthotic devices, RLANRC also receives in-kind services from RRI that includes collaboration with teams of RLANRC clinicians to provide over 230 annual clinic hours and quarterly lectures on research development.

Approval of the second recommendation will allow the Director to exercise the option to extend the term of the Agreement for up to six months and will also allow the Director to add, delete and/or change non-substantive terms and conditions in the Agreement.

## **Implementation of Strategic Plan Goals**

The recommended action supports Goal 3, Integrated Services Delivery of the County's Strategic Plan.

## **FISCAL IMPACT/FINANCING**

Funding is included in the DHS Fiscal Year (FY) 2014-15 Board Adopted Budget and will be requested in future fiscal years.

The County reimburses RRI for services provided to County-responsible patients at current rates for orthotics listed on the Medi-Cal Schedule of Maximum Allowance (SMA). RRI bills other third-party payers (Medical, Medicare, private insurance, etc.) directly for reimbursement of orthotic services/devices provided.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

County has contracted with RRI to provide highly specialized orthotic services housed on RLANRC grounds. RRI was started 50 years ago to provide the specialized orthotic services that RLANRC's patients require. RRI's active research program provides an additional level of product development.

A new Agreement was executed on October 1, 2007 through September 30, 2012. Subsequent

amendments extended the term through September 30, 2014.

The Agreement may be terminated for convenience by the County upon 10 days prior written notice.

County Counsel has approved Exhibit I as to form.

### **CONTRACTING PROCESS**

RRI is a non-profit organization which was created over 50 years for the sole purpose of providing the specialized orthotic services that RLANRC's patients require.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of the recommendations will ensure that orthotic services at RLANRC will not be interrupted and enable RLANRC patients to continue to receive specialized orthotics.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is fluid and cursive, with the first name "Mitchell" written in a larger, more prominent script than the last name "Katz".

Mitchell H. Katz, M.D.

Director

MHK:rg

Enclosures

c: Chief Executive Office  
County Counsel  
Executive Office, Board of Supervisors

ORTHOTIC SERVICES AGREEMENT AT  
RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER

Amendment No. 3

This Amendment is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_,  
2014,

By and between

COUNTY OF LOS ANGELES  
(hereafter "County"),

And

Rancho Research Institute, Inc.  
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled "Orthotic Services Agreement at Rancho Los Amigos National Rehabilitation Center" dated October 1, 2007, and further identified as Agreement No.: H-702969, and any amendments thereto (all hereafter referred to as "Agreement") and,

WHEREAS, it is the intent of the parties hereto to amend Agreement to extend its term and update certain terms and conditions and to provide for the other changes set forth herein; and

WHEREAS, Agreement provides that changes in accordance to Paragraph 26, Alteration of Terms may be made in the form of an Amendment which is formally approved and executed by the parties; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide services consistent with the requirements of this Agreement and consistent with the professional standard of care for these services.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. This Amendment shall commence and become effective upon Board approval.
2. Agreement Paragraph 1 Term, is deleted in its entirety and replaced as follows:

"1. Term: This Agreement shall commence on October 1, 2007 and expire on February 28, 2016. The County shall have the sole option to extend this Agreement term for up to six (6) additional months on a month-to-month basis for a maximum total Agreement term of eight (8) years ten months. Each such option for extension shall be exercised at the sole discretion of the Director or his/her designee as authorized by the Board of

Supervisors. In any event, either party may cancel or terminate this Agreement at any time, with or without cause, by giving at least thirty (30) calendar days' prior written notice to the other. Unless the Agreement is sooner cancelled or terminated.

Notwithstanding any other provision of this Paragraph, the failure of Contractor, its officers, agents, or employees to comply with any of the terms of this Agreement shall constitute a material breach of contract for which the Director or his/her designee may immediately terminate the Agreement. Failure to exercise this right of termination shall not constitute waiver of such right, which may be exercised at any subsequent time."

3. Standard Provision Paragraph 20 Compliance With Jury Services Program, is deleted in its entirety and replaced as follows:

**"20. COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM**

**20.1 Jury Service Program:**

This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit B and incorporated by reference into and made a part of this Agreement.

**20.2 Written Employee Jury Service Policy**

1. Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.
2. For purposes of this Sub-paragraph, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County Contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the

Contractor. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any subcontractor to perform services for the County under the Agreement, the subcontractor shall also be subject to the provisions of this Sub-paragraph. The provisions of this Sub-paragraph shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the Agreement.

3. If the Contractor is not required to comply with the Jury Service Program when this Agreement commences, the Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the Contractor shall immediately notify the County if the Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Agreement and at its sole discretion, that the Contractor demonstrate, to the County's satisfaction that the Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that the Contractor continues to qualify for an exception to the Program.
4. Contractor's violation of this Sub-paragraph of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement and/or bar the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach."

4. Agreement Paragraph 22 Contractors Obligation As A Business Associate Under the Health Insurance Portability and Accountability Act (HIPAA) of 1996, is deleted in its entirety and replaced as follows:

**"22. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)**

The County is subject to the Administrative Simplification requirements and prohibitions of the Health Insurance Portability and Accountability Act of 1996,

Public Law 104-191 (HIPAA), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the "HIPAA Rules"). Under this Master Agreement, the Contractor provides services to the County and the Contractor receives, has access to, and/or creates Protected Health Information as defined in Exhibit C in order to provide those services. The County and the Contractor therefore agree to the terms of Exhibit C, Business Associate Agreement Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)."

5. Paragraph 49, Compliance with Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program, is added as follows:

**"49. CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

49.1 Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

49.2 Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Agreement will maintain compliance, with Los Angeles Code Chapter 2.206."

6. Paragraph 50, Termination For Breach Of Warranty To Maintain Compliance With County's Defaulted Property Tax Reduction Program, is added as follows:

**"50. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM**

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 49 - Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206."

- “51. TIME OFF FOR VOTING**
- The Contractor shall notify its employees, and shall require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than 10 days before every statewide election, every Contractor and subcontractors shall keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.”
8. Agreement, Attachment I, County of Los Angeles Contractor Employee Jury Service Program Certification Form and Application For Exception, is deleted and replaced by Exhibit B, Contractor Employee Jury Services attached hereto and incorporated herein by reference. All references to County of Los Angeles Contractor Employee Jury Service Program Certification Form and Application For Exception in the Agreement shall be read to refer to Exhibit B attached hereto.
7. Agreement, Exhibit C, BUSINESS ASSOCIATE AGREEMENT UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (“HIPAA”) is added to the Agreement and attached hereto and incorporated herein by reference.
9. All other terms and provisions of the Agreement shall remain the same and in full force and effect.

[illegible]



IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by the County's Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_  
Mitchell H. Katz, M.D.  
Director of Health Services

CONTRACTOR

\_\_\_\_\_  
  
By: \_\_\_\_\_  
Signature  
  
\_\_\_\_\_  
Printed Name  
  
\_\_\_\_\_  
Title

APPROVED AS TO FORM:  
Richard D. Weiss  
Acting County Counsel

By \_\_\_\_\_  
Deputy